

VZCZCXRO6104
RR RUEHCHI RUEHCN RUEHDT RUEHHM
DE RUEHBK #2791/01 3061122
ZNY CCCCC ZZH
R 021122Z NOV 09
FM AMEMBASSY BANGKOK
TO RUEHC/SECSTATE WASHDC 8789
INFO RUEHXS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS
RUEHBJ/AMEMBASSY BEIJING 7626
RUEHBY/AMEMBASSY CANBERRA 0109
RUEHUL/AMEMBASSY SEOUL 5910
RUEHKO/AMEMBASSY TOKYO 2041
RUEHWL/AMEMBASSY WELLINGTON 0160
RUEHCHI/AMCONSUL CHIANG MAI 7220
RUCPDO/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RHEFDHS/DIA DHS WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC
RHEHNSC/NSC WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 BANGKOK 002791

SIPDIS

STATE FOR EAP/MLS, DRL, EEB
STATE PASS TO USTR FOR BWEISEL, BKLEIN
TREASURY FOR OASIA
SINGAPORE FOR FINATT BLEIWEIS
COMMERCE FOR EAP/MAC/OKSA

E.O. 12958: DECL: 11/02/2019
TAGS: [EFIN](#) [PGOV](#) [PHUM](#) [PREL](#) [DRL](#) [TH](#)
SUBJECT: THAILAND: TWO NETIZENS ARRESTED IN CONNECTION TO
KING'S HEALTH RUMORS, STOCK MARKET PLUNGE

REF: A. BANGKOK 2656 (MARKET MOVES ON RUMORS)
[B](#). BANGKOK 2606 (KING'S HEALTH UPDATE)
[C](#). BANGKOK 325 (LM AND CCA ENFORCEMENT UPTICK)

BANGKOK 00002791 001.2 OF 002

Classified By: Political Counselor George P. Kent for reasons 1.4 (b) and (d)

[1](#). (SBU) SUMMARY: The Royal Thai Police (RTP) arrested two Thai citizens November 1 for allegedly contributing to the panic that triggered the Thai stock market to plunge in mid-October (Ref A). RTP personnel detained Teeranun Wipuchanin and Katha Pajariyapong on suspicion of violating Thailand's 2007 Computer Crime Act (CCA), searched their houses, and confiscated their computers, cameras, and other electronic devices. The two suspects stand accused of circulating false information on the internet about the King's health, and in doing so, endangering national security. The arrests are not connected with an ongoing Department of Special Investigations (DSI) effort to identify four-five individuals allegedly behind stock market manipulations.

[2](#). (C) COMMENT: These arrests, and others rumored to be in the works, are more likely intended to send a message to blogging netizens speculating about the King's health and what comes after his death, rather than to assign "responsibility" for the rumors which led to the mid-October drop in the stock market. The arrests underscore the level of sensitivity to the issue of the King's declining health in Thailand, as well as the RTG's ongoing effort to muzzle any commentary deemed harmful to the Monarchy. Despite the fact that Teeranun's posting on Prachatai.com was primarily a Thai translation of a Bloomberg news story, the RTP apprehended her in front of cameras at Suvarnabhumi Airport. Not surprisingly, the RTG's action, rather than containing the story and damping down the rumors about the King's health, gave the story new legs via secondary reporting about these arrests by Reuters and The Wall Street Journal, as well as more blog postings. Moving forward, with the King's health likely to continue to deteriorate, the RTG will need to

consider whether its reflexive impulse to overreact causes more problems than it solves. END SUMMARY AND COMMENT

THIS IS HOW RUMORS GET STARTED

13. (SBU) On October 14 and 15, the Stock Exchange of Thailand fell 7.2 percent -- amounting to billions of dollars in losses -- in response to rumors about King Bhumibol's declining health after an extended period of hospitalization.

Stories began to circulate that Thai investors initiated the uptick in gossip about the King's health as a profit-seeking scheme (Ref A). In addition to the DSI investigation, the Thai Securities and Exchange Commission has indicated that it is investigating two foreign brokers, Credit Suisse and UBS, and one domestic account in connection with the market events of October 14 and 15.

14. (C) DSI had already announced that it was investigating four-five individuals for allegedly manipulating the stock market with rumors, but the November 1 arrests, carried out by the Royal Thai Police were unconnected to DSI's ongoing effort, Sunai Phasuk of Human Rights Watch noted to us November 2. As such, he suggested the intent of the pair of arrests, and more rumored to be in the works, was on shutting down the web speculation about the King's declining health.

15. (C) Former UBS Securities executive Teeranun claimed to the press after her arrest that her internet postings during this time were merely translations of Bloomberg articles that she translated after the market had already begun to fall. Like Katha, an employee of KT SEAMICO Securities, Teeranun is a regular contributor to the controversial websites Same Sky and Prachatai.com, which attract their fair share of

BANGKOK 00002791 002.2 OF 002

anti-monarchy postings, and whose webmasters have already been charged with lese majeste on prior occasions for allowing such postings. Prachatai.com editor Chiranuch Premchaiporn and Same Sky webmaster Thanapon Iewsakun separately told us November 2 that they have not yet been approached or questioned by the police regarding these cases, despite the fact that these individuals are regular posters on their sites.

16. (SBU) Rather than utilize Section 112 of the Criminal code, the lese majeste provision that prohibits criticism of the King, the Crime Suppression Division of the RTP charged the pair under the relatively recent CCA. (Ref C) Article 14 of the CCA addresses the internet posting of false information that undermines national security or harms the public. If convicted, the pair could receive a sentence of up to five years of jail time, and a 100,000 baht fine (approximately \$3000). They were released on bail November 2 and instructed not to leave the country for the pendency of the investigation.

ARRESTING BLOGGERS JUST BEGETS MORE BLOGS

17. (SBU) In addition to the international media, the Thai blogosphere has seized upon the arrest story, showing the multiplier effect of this kind of RTG crackdown. Leading English language blogger Bangkok Pundit posits the question of whether RTG should now be using the CCA to charge the Bloomberg journalist in Hong Kong as well as the other news organizations that recycled the Bloomberg reports. Prachatai.com has a piece lampooning the Department of Special Investigations (DSI) inquiry into the possible stock trading irregularities, suggesting that DSI has no understanding of how the markets work. The interest has also extended overseas, with Nicholas Farrelly from Australian National University (ANU) posting on the New Mandala blog that he is going to incorporate discussion of the arrests into his November 2 presentation at ANU's National Thai Studies Center Thailand Update Conference 2009.

